

## Message Text

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47

ACTION AF-18

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-10 PA-04 PRS-01 SS-20 USIA-15 ACDA-19 IO-14 DRC-01

EUR-25 GSA-02 /219 W

----- 115479

R 301445Z OCT 73

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 9233

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E.O. 11652: N/A

TAGS : EMIN PINS GV

SUBJECT : CONVERSATION WITH CBG AND HALCO PRESIDENTS

REF: CONAKRY 1601

1. ON OCT 27 AMBASSADOR AND EMBOFFS MET INFORMALLY WITH VISITING CBG PRESIDENT HERCULES PAPPAS, HALCO PRESIDENT HARRY FAWCETT AND SEVERAL OTHER CBG OFFICIALS. CBG OFFICIALS SAID PURPOSE OF THEIR VISIT TO CONAKRY WAS, FIRST, FOR PAPPAS TO BECOME FURTHER ACQUAINTED WITH LOCAL SITUATION, SECOND TO LEARN OF CURRENT GUINEAN PLANS WITH REGARD TO GOG OPTION TO SHIP 50 PERCENT OF BAUXITE, AND THIRD, TO ATTEMPT TO CLEAR UP VARIOUS PROBLEMS WITH GUINEANS.

2. CBG OFFICIALS SAID THAT MANY OF THE INITIAL PRODUCTION PROBLEMS ENCOUNTERED IN AUGUST AND SEPTEMBER HAVE BEEN RESOLVED AND SEEMED VERY PLEASED THAT OCTOBER SHIPMENTS TOTALLED 240,000 MT BAUXITE.

3. PAPPAS SAID HE HAD LEARNED THAT THE BREAK IN COMMUNICATIONS  
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BETWEEN KAMSAR AND THE OUTSIDE WORLD (REFTEL) WAS NOT CAUSED BY

TECHNICAL FAILURE AND THAT GUINEANS PURPOSELY CUT THEM, POSSIBLY BECAUSE PRESIDENT SEKOU TOURE MAY HAVE BEEN TOLD THAT THE KAMSAR FACILITIES WERE BEING USED TO CONTACT THE PORTUGUESE IN GUINEA-BISSAU. AS SOON AS PAPPAS EXPLAINED TO ISMAEL TOURE THAT THE BREAK WAS CAUSING DELAYS IN SHIPPING BAUXITE, THE PRESIDENT WAS INFORMED AND COMMUNICATIONS WERE IMMEDIATELY RESTORED.

4. WORK ON THE KAMSAR AIRPORT IS CONTINUING, THE CBG OFFICIALS REPORTED, AND COMPLETION IS EXPECTED ABOUT MAY 1974.

5. PAPPAS ASKED GUINEANS ABOUT THE RECENT EXPULSION OF TWO CANADIANS WHO WORKED IN THE PERSONNEL DEPARTMENT AT KAMSAR (REFTEL). GUINEAN OFFICIALS EXPLAINED THAT EXPULSIONS WERE DUE TO VIOLATIONS OF GUINEAN "PERSONNEL REGULATIONS" CONCERNING SALARY AND HIRING AND THAT CANADIANS WOULD HAVE RISKED IMPRISONMENT IF THEY HAD NOT IMMEDIATELY LEFT THE COUNTRY. THE SENIOR GUINEAN EMPLOYEE IN THE PERSONNEL DEPT WAS ALSO FIRED FOR THE SAME OFFENSE. CBG OFFICIALS CONCEDE THAT THE EMPLOYEES MAY HAVE UNKNOWNLY VIOLATED REGULATIONS AND HAVE REQUESTED MORE DETAILED INFORMATION ON THE NATURE OF THE OFFENSES.

6. PAPPAS SAID THAT THE GUINEANS ARE PRESSING FOR A SPEED-UP IN THE AFRICANIZATION PROGRAM AND FOR A COMMITMENT ON HALCO'S PART THAT IT BE 100 PERCENT IN SIX YEARS. HALCO HAS AGREED TO HASTEN THE PROCESS BUT WILL NOT COMMIT ITSELF TO A TIME LIMIT.

7. ONE CBG OFFICIAL COMMENTED THAT INTRA-MARITIME BANK WAS NOT AN ENTIRELY REPUTABLE ORGANIZATION AND THAT ALCOA OR ALCAN COULD EASILY ARRANGE FOR GUINEA'S SHIPMENTS OF BAUXITE. THE SAME OFFICIAL STATED THAT IT WAS LIKELY IN HIS OPINION THAT GUINEA WOULD EVENTUALLY HAVE TO PURCHASE ITS OWN SHIPS TO CARRY THE BAUXITE. THE EMBASSY HAS LEARNED FROM OTHER SOURCES THAT ISMAEL TOURE IS QUITE CONCERNED ABOUT INTRA-MARITIME BANK'S FAILURE TO ARRANGE FOR SHIPS.

8. THE CBG OFFICIALS INDICATED THAT HALCO IS PREPARED TO PAY ADVANCE TAXES SO THAT GUINEA WILL RECEIVE SOME REVENUE FOR THE FIRST YEAR OF OPERATIONS. THE BOKE PROJECT IS NOT EXPECTED TO SHOW ANY PROFIT UNTIL THE SECOND YEAR, AND EVEN THEN, GUINEA'S LIMITED OFFICIAL USE

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EARNINGS WILL HAVE TO BE USED TO PAY OFF ITS EXTENSIVE LOANS.

9. CBG OFFICIALS AND PAPPAS IN PARTICULAR SEEMED REASONABLY RELAXED AND CONFIDENT ABOUT THE PROJECT. PAPPAS INDICATED THAT HE FEELS THAT AS BOTH CBG AND THE GUINEANS LEARN FROM EACH OTHER AND TO WORK TOGETHER, PROBLEMS WILL BE BROUGHT TO A MUTUALLY SATISFACTORY RESOLUTION. THIS IS NOT TO SAY THAT UNDERSTANDING AND THE WORKING RELATIONSHIP BETWEEN CBG EXPATRIATES AND

GUINEANS - EMPLOYEES AND GOVERNMENT OFFICIALS - ARE AS GOOD AS  
THEY SHOULD BE FOR MAXIMUM LONG-TERM EFFICIENCY OF THE OPERATION.  
CBG STILL HAS A GREAT DEAL TO LEARN ABOUT FORESEEING PROBLEM  
AREAS WHERE PREVENTATIVE OR REMEDIAL ACTION SHOULD BE TAKEN.  
TODMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MINING, BAUXITE, NATIONALIZATION, MARINE TRANSPORTATION  
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**Draft Date:** 30 OCT 1973  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Page Count:** 3  
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**Reference:** CONAKRY 1601  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09-Jan-2002 by shawdg>; APPROVED <29-Jan-2002 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** : CONVERSATION WITH CBG AND HALCO PRESIDENTS  
**TAGS:** EMIN, PINS, GV, CBG, HALCO, (PAPPAS, HERCULES), (FAWCETT, HARRY)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005